

Money from JDIP tourism fund to drive JEEP

A PNP gov't would pursue new IMF agreement

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ADJUSTMENTS to the way capital is used under the road improvement programme called the Jamaica Development Infrastructure Programme (JDIP) and the rechanneling of money from the Tourism Enhancement Fund, are two ways of financing a highly touted project of the Opposition People's National Party (PNP).

The Jamaica Emergency Employment Programme (JEEP), which the PNP President Portia Simpson Miller first mentioned at her party's annual conference in September, would be driven by funds from both sources, in order to help revive the economy by providing jobs in the short term, former finance minister Dr Omar Davies has said, assuming that his administration will be victorious at the December 29 polls.

At the same time, Dr Davies said that a new PNP administration would quickly renegotiate a loan agreement with international lending agency, the International Monetary Fund, to shore up the economy.

Dr Davies, now the PNP's spokesman on transport and works and also chairman of its Manifesto Committee, was speaking in St Andrew yesterday at the launch of the party's Manifesto for 2011 and beyond, called 'Leading the Agenda for Progressive Change'.

"Even as we recognise the tight fiscal constraints within which a new PNP administration will need to operate, there can be no alternative but to seek to address the need for employment in the country which has been ravaged by job losses and increased poverty," Dr Davies said.

"It is in this context that the JEEP has been advanced. This will incorporate initiatives involving both the State and the private sector. From the perspective of the State, the JEEP initiative will utilise resources, which have already been identified, in a more cost effective manner to simultaneously enhance the country's capital infrastructure whilst using labour intensive methodologies.

"Much of the funding will come from reallocating resources from the tarnished JDIP project. We will begin immediate negotiations with the Chinese lenders to reallocate 25 per cent of the loan funds to labour intensive capital projects, for example construction of retaining walls, repairs to collapsing gullies, drainage channels, and sidewalks, as well as reforestation projects.

"We are confident that with proper management and the elimination of the highly questionable practices which have characterised the project to date, in particular the sole sourcing of contractors, the remaining 75 per cent of the JDIP funds can achieve virtually the same level of project implementation as is presently being achieved.

"Additional support will come from the Tourism Enhancement Fund, to fund labour intensive beautification and clean-up projects aimed mainly at tourism centres. These projects will complement the ongoing activities of the NSWMA (National Solid Waste Management Authority)," he said.

Dr Davies said that private sector participation would form part of the JEEP programme, with particular emphasis on companies from medium and small enterprises sector, which will be <http://activepaper.olivesoftware.com/Default/Scripting/ArticleWin.asp?From=Archive&Source=Page&kin=JObserver&BaseHref=JMO%2F2011%2F12%2F15&ViewMode=HTML&PageLabel=2&EntityId=Ar00300&AppName=1>

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given special incentives to help in boosting employment figures.

In an obvious move to assure that vigilance will be employed to keep corruption out of the project, Dr Davies said that much will be done to protect the credibility of the investment.

“We wish to give the assurance that explicit measures will be taken to guarantee public scrutiny of all such expenditure to ensure that there is value received in return for each dollar spent,” he said.

Regarding the IMF, negotiating a new agreement with the organisation is also high on the list of priorities of the PNP, Dr Davies said.

“We recognise the need to renegotiate a new agreement with the IMF. This agreement must seek simultaneously to facilitate action to address the critical social problems, even whilst maintaining a responsible fiscal stance.

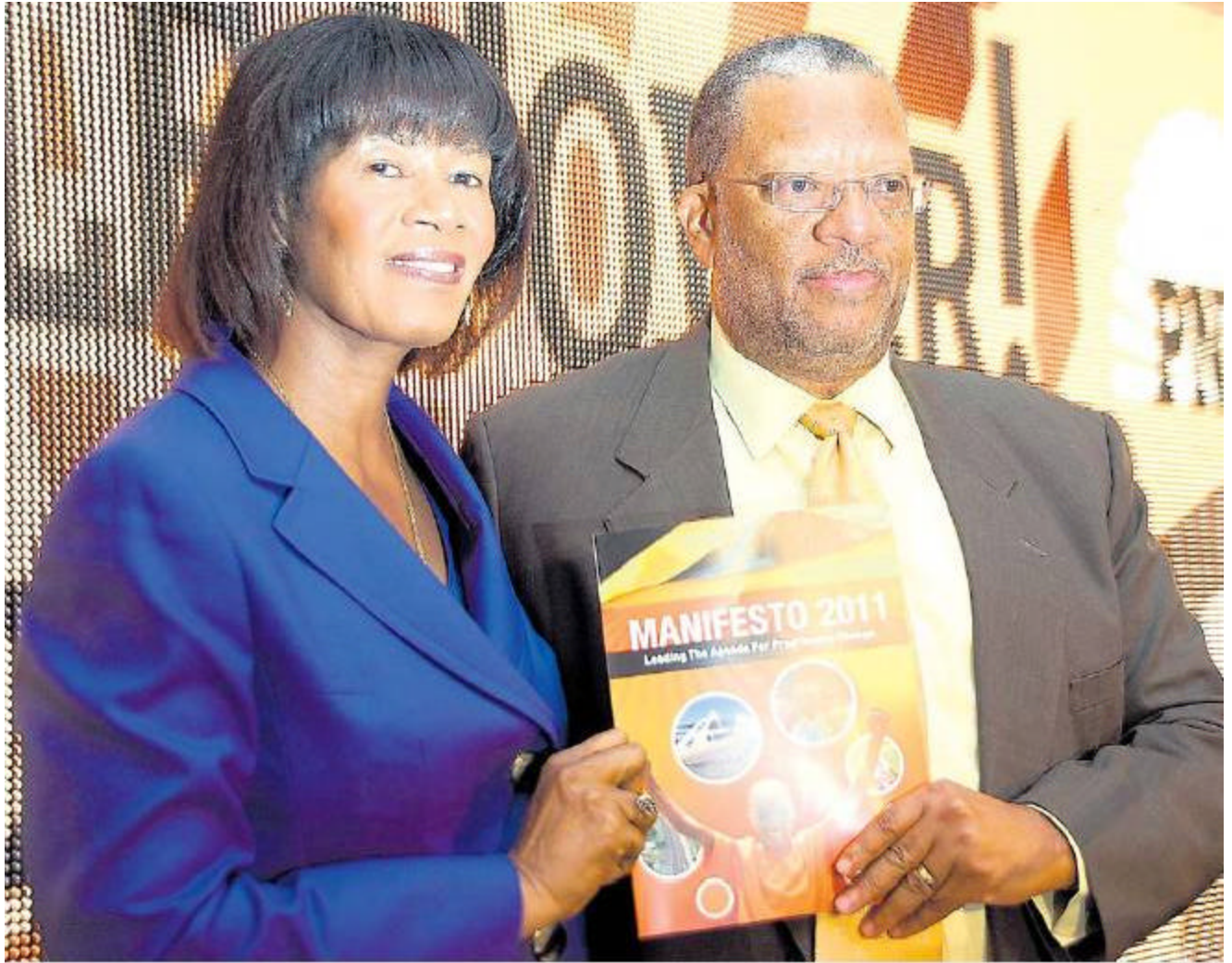
“However, the party wishes to assure the country that, as government, it will not proceed, in desperation, to sign an agreement which sets impossible targets and hence cannot realistically be implemented.

“Our confidence in our ability to come to a pragmatic agreement with the IMF and the other multilaterals is based on our prior experience with these institutions: specifically in the last borrowing relationship between a PNP government and the IMF — a three-year extended fund facility — 12 consecutive quarterly tests were passed with full information provided to the population.

“Furthermore, on the successful conclusion of the Extended Fund Facility, we came to a mutually acceptable agreement with the Fund to embark on a Staff Monitored Programme, whereby a macro-economic programme, developed by our own technicians, would be assessed annually by the technical staff of the Fund, but with no additional debt to be incurred.

“Our track record indicates that a PNP administration is capable of negotiating and implementing a new agreement with the IMF which will address our need for financial support at this time but will simultaneously recognise the urgent imperative of a response to the issues which threaten the social stability of the country,” Dr Davies said.

Dr Davies also restated his party’s plan to remove the valued-added, General Consumption Tax on electricity, while modernising the Petrojam Oil Refinery.



People's National Party (PNP) President and Opposition Leader Portia Simpson Miller and Dr Peter Phillips, opposition spokesman on finance and the party's campaign manager, display a copy of the party's manifesto following its launch at the Wyndham Hotel in Kingston yesterday. (Photo: Joseph Wellington)

